| 1  | Q          | And you read it. And you were you did you           |
|----|------------|---|
| 2  | consider   | yourself what's called a programmer? That's the     |
| 3  | term, isn  | 't it, when you were producing "Felicidad?" Strike  |
| 4  | that. Is   | that a term you're familiar with, programmer?       |
| 5  | A          | Someone who hosts his own program, yes, sir.        |
| 6  | Q          | And would you explain to me what the financial      |
| 7  | arrangeme  | nts were concerning the production of that program? |
| 8  | How did i  | t work?   |
| 9  | A          | I paid for it.                                      |
| 10 | Q          | You paid for it.                                    |
| 11 | A          | Yes, sir.   |
| 12 | Q          | And you paid for the production costs?              |
| 13 | A          | Yes, sir.   |
| 14 | Q          | And for and what did you receive in return for      |
| 15 | paying the | e production costs?                                 |
| 16 | A          | The satisfaction of helping many people, sir.       |
| 17 | Q          | You certainly did that I'm sure. I meant and I      |
| 18 | wasn't     | my question wasn't clear. In return for paying the  |
| 19 | production | n costs, the program was broadcast over TBN.        |
| 20 | A          | Yes, sir.   |
| 21 | Q          | And were there were you permitted to make           |
| 22 | solicitat  | ion for funds on that, on that program?             |
| 23 | A          | Yes, I was.   |
| 24 | Q          | And, and I imagine you did.                         |
| 25 | A          | Yes.  |

| 1  | Q And was that the, and was that the way it continued,         |
|----|--|
| 2  | the financial relationship to continue in exactly the same way |
| 3  | from 1976 until 1986?  |
| 4  | A No, sir.   |
| 5  | Q It changed?  |
| 6  | A Yes.   |
| 7  | Q Would you tell me about the change?                          |
| 8  | A I couldn't tell you exactly what year it was. But            |
| 9  | there came the time when the financial pressure became too     |
| 10 | great, and I felt that I could not continue paying for the     |
| 11 | program.   |
| 12 | Q And then what happened?                                      |
| 13 | A I approached I'm not sure who it was.                        |
| 14 | Eventually, I was taken to Mr. Crouch's office, and I told him |
| 15 | that well, I thanked him for allowing me the time to, to       |
| 16 | have my program on the network but that I could no longer      |
| 17 | continue.  |
| 18 | Q Because you couldn't afford it.                              |
| 19 | A That's right.  |
| 20 | Q And what happened?   |
| 21 | A He, he asked me to continue and that Trinity                 |
| 22 | Broadcasting would, would pick up the expenses.                |
| 23 | Q And did he permit you to continue to, to solicit             |
| 24 | funds on the program?  |
| 25 | A Not for myself.  |

| 1  | Q          | The funds then went to Trinity.                     |
|----|------------|---|
| 2  | A          | Yes, sir.   |
| 3  | Q          | That was, that was the, the change in the           |
| 4  | arrangeme  | nt.   |
| 5  | A          | Yes. Um-hum.  |
| 6  | Q          | So you no longer paid, but there was solicitation,  |
| 7  | but then ! | Trinity received the, the solicitations.            |
| 8  | A          | That's correct, sir.                                |
| 9  | Q          | And is that the way you continued until 1986?       |
| 10 | A          | Yes, sir.   |
| 11 | Q          | Were there any other changes?                       |
| 12 | A          | I don't believe so, sir.                            |
| 13 |            | JUDGE CHACHKIN: Did you receive anything for        |
| 14 | producing  | the program? After you made the arrangement whereby |
| 15 | you were   | no longer able to solicit funds, did you receive    |
| 16 | anything   | from TBN for producing the program?                 |
| 17 |            | MR. ESPINOZA: Yes, I did, sir.                      |
| 18 |            | JUDGE CHACHKIN: What was that arrangement?          |
| 19 |            | MR. ESPINOZA: Well, I would receive letters.        |
| 20 |            | JUDGE CHACHKIN: What letters? What are you talking  |
| 21 | about?     |   |
| 22 |            | MR. ESPINOZA: Well, when you solicit, people send   |
| 23 | in a note  | or a letter with, with some money. And they would   |
| 24 | go to P.O  | . Box A, Santa Ana. They would take out the money,  |
| 25 | then they  | would forward the letters to me. I was making an    |

| 1  | offer on my program, and I would generally pay my own expenses |
|----|--|
| 2  | in, in providing books or things that could help the people.   |
| 3  | So they would send me the letters. And I in turn would send    |
| 4  | them the books, the material, the follow-up letter to continue |
| 5  | helping the people.  |
| 6  | BY MR. COHEN:  |
| 7  | Q But that was coming out of your pocket.                      |
| 8  | A Yes, sir.  |
| 9  | Q Because you told me a minute ago that Trinity would          |
| 10 | keep the, the money that would, that came in.                  |
| 11 | A Yes, sir.  |
| 12 | Q So I understand.   |
| 13 | JUDGE CHACHKIN: So when you sent these books, what             |
| 14 | books are we talking about that you sent?                      |
| 15 | MR. ESPINOZA: Books that I would purchase, for                 |
| 16 | example, books written by Dr. Billy Graham, people of that     |
| 17 | nature, books pertaining to family and enrichment of one's     |
| 18 | life.  |
| 19 | JUDGE CHACHKIN: When you said you kept the letters,            |
| 20 | did you then solicit funds with these letters from these       |
| 21 | individuals you sent the books to?                             |
| 22 | MR. ESPINOZA: Never, sir.                                      |
| 23 | JUDGE CHACHKIN: Well, so you're saying you received            |
| 24 | nothing from once you changed your arrangement with TBN        |
| 25 | whereby they paid for production expenses                      |

| 1  | MR. ESPINOZA: Um-hum. Yes, sir.                              |
|----|--|
| 2  | JUDGE CHACHKIN: you received nothing.                        |
| 3  | MR. ESPINOZA: In the area of finances?                       |
| 4  | JUDGE CHACHKIN: Yes.   |
| 5  | MR. ESPINOZA: That's correct, sir.                           |
| 6  | JUDGE CHACHKIN: You didn't receive a percentage of           |
| 7  | the money that came into TBN.                                |
| 8  | MR. ESPINOZA: Oh, no. Not at all, sir.                       |
| 9  | JUDGE CHACHKIN: But then you say there were you              |
| 10 | mean when, when solicitations were made there, people        |
| 11 | requested certain books to be sent to them? I don't quite    |
| 12 | understand where the books came in.                          |
| 13 | MR. ESPINOZA: I would on the program itself, I               |
| 14 | would make an offer. If you write today, I will send you a   |
| 15 | particular book or something along that line. And so I would |
| 16 | send them the book. On my own expenses I will send them the  |
| 17 | book.  |
| 18 | JUDGE CHACHKIN: But these individuals who wrote in,          |
| 19 | did they make a did they send funds in also?                 |
| 20 | MR. ESPINOZA: Yes, sir.                                      |
| 21 | JUDGE CHACHKIN: But you didn't keep any of it.               |
| 22 | MR. ESPINOZA: Not at all.                                    |
| 23 | JUDGE CHACHKIN: But you on your own sent them                |
| 24 | books, various books of different kinds.                     |
| 25 | MR. ESPINOZA: Yes, sir.                                      |

| 1  | JUDGE CHACHKIN: Go ahead, Mr. Cohen.                          |
|----|---|
| 2  | BY MR. COHEN:   |
| 3  | Q Am I correct, pastor, that the result that, pursuing        |
| 4  | what the judge just suggested, when the arrangement changed,  |
| 5  | the result was that you were reaching into your, your pocket, |
| 6  | so to speak, to send these books to the persons, to the       |
| 7  | persons who wrote you?  |
| 8  | A Yes, sir.   |
| 9  | Q You must have been very committed to Trinity to be          |
| 10 | willing to absorb that personal expense.                      |
| 11 | A It wasn't a matter of being committed to Trinity.           |
| 12 | It was a matter of being committed to people. As a pastor,    |
| 13 | part of my responsibility is, is a follow-up making sure that |
| 14 | people are all right. There were times when I would receive a |
| 15 | letter from someone that was suicide prone, for example. So I |
| 16 | would follow up through correspondence. Sometimes, sometimes  |
| 17 | I'd call them. Sometimes I'd actually meet them, or sometimes |
| 18 | I would refer them to a pastor wherever they lived.           |
| 19 | Q Did you ever suggest to Dr. Crouch that, that               |
| 20 | Trinity should pay for the cost of these books?               |
| 21 | A Not at all. Never.  |
| 22 | Q Now when did the arrangement change? Can you give           |
| 23 | me your best recollection? The period of time is from '76 to  |
| 24 | '86.  |
| 25 | A I don't remember, sir. I really don't.                      |

| 1  | Q Well, was it halfway between? Somewhere in                |
|----|---|
| 2  | what's your best recollection?                              |
| 3  | A Perhaps 2, 3, 4 years.                                    |
| 4  | Q I want to show you a document which is in the             |
| 5  | Glendale exhibits. Let me help you find that.               |
| 6  | A Thank you.  |
| 7  | Q Glendale 188.   |
| 8  | (Pause.)  |
| 9  | Q Now this is a letter of agreement which is not, not       |
| 10 | with you. It was with, it's with E. V. Hill. But I, I want  |
| 11 | you to look at that if you would. And tell and the          |
| 12 | question I have is did you ever enter, enter into a written |
| 13 | agreement with, with Trinity? And I'm showing you that one  |
| 14 | just to try to help your recollection.                      |
| 15 | A Um-hum.   |
| 16 | Q That's not an agreement with you.                         |
| 17 | (Pause.)  |
| 18 | Q Did you ever enter into a programmers agreement           |
| 19 | with, with Trinity?   |
| 20 | A Mr. Cohen, I don't believe so.                            |
| 21 | Q Nothing in writing?                                       |
| 22 | A No, sir.  |
| 23 | Q You never signed a document I don't mean the              |
| 24 | identical document. But a document that set forth the, the  |
| 25 | terms of the arrangement between you and Trinity?           |

| 1  | A         | I may have. But I really don't remember, sir.        |
|----|-----------|--|
| 2  | Q         | Well, in connection with the discovery, we went      |
| 3  | through t | his in the deposition, you looked in your files. And |
| 4  | you, you  | had no such in connection with the remember          |
| 5  | the, we a | sked you I asked you about, the request for          |
| 6  | productio | n of documents.                                      |
| 7  | A         | Um-hum.  |
| 8  | Q         | You've told us that you had looked in your files.    |
| 9  | A         | Yes, sir.  |
| 10 | Q         | So I take it you had no, no such document in your    |
| 11 | files.    |  |
| 12 | A         | Mr. Cohen, everything that I had I, I really did     |
| 13 | send it.  |  |
| 14 | Q         | And you, you don't have a recollection then as to    |
| 15 | whether o | r not you did enter into a written agreement with    |
| 16 | Trinity.  | Is that, is that what you're telling me?             |
| 17 | A         | I really don't believe so, Mr. Cohen.                |
| 18 |           | (Pause.)   |
| 19 | Q         | Now in addition to the "Felicidad" program, you also |
| 20 | appeared  | on the Spanish language version of Praise the Lord.  |
| 21 | Is that r | ight?  |
| 22 | A         | Yes, sir.  |
| 23 | Q         | And for how many years did that take place?          |
| 24 | A         | Not, not that often, Mr. Cohen.                      |
| 25 | Q         | Well, give me your best recollection.                |

| 1  | A Perhaps four, half a dozen times.                            |
|----|--|
| 2  | JUDGE CHACHKIN: You want to know the years or how              |
| 3  | many times?  |
| 4  | MR. COHEN: Well, I was going to ask him both                   |
| 5  | questions.   |
| 6  | BY MR. COHEN:  |
| 7  | Q How many times, and as the judge suggests that was           |
| 8  | my next question. Do you remember the years when that          |
| 9  | occurred?  |
| 10 | A It, it would have been towards, towards the                  |
| 11 | beginning. Because later on when I started my own program,     |
| 12 | with my church responsibilities and the TV program it was very |
| 13 | difficult to get away.   |
| 14 | Q Well, to, to refresh your recollection, in your              |
| 15 | deposition I asked you this was in your California             |
| 16 | deposition, page 24, "Can you give me an approximate time      |
| 17 | frame for your appearances?" And the answer was, "How many     |
| 18 | times I appeared?" And I asked you how many and when, and you  |
| 19 | said, "Perhaps three or four times, late '70s, early '80s,     |
| 20 | something like that."  |
| 21 | A Um-hum.  |
| 22 | Q Does that refresh your recollection?                         |
| 23 | A Yes, sir.  |
| 24 | Q And didn't you also appear on the program called             |
| 25 | Behind the Scenes?   |

| 1  | A That's correct, sir.   |
|----|--|
| 2  | Q And tell me about that?                                      |
| 3  | A Behind the Scenes is a segment where Mr. Crouch or           |
| 4  | someone else will, will appear and give an update as to how    |
| 5  | the station or the network is doing. And there were a couple   |
| 6  | of times when, when I had just finished taping a program, so   |
| 7  | my set was hot or the lights were, were all prepared. So they  |
| 8  | would use the set that I was using to have the Behind the      |
| 9  | Scenes segment. And a couple of times Mr. Crouch would ask me  |
| 10 | to, to sit in.   |
| 11 | Q Would you look at paragraph 5 of your testimony,             |
| 12 | please?  |
| 13 | (Pause.)   |
| 14 | Q And I, I call your attention to the well, first              |
| 15 | read the paragraph to yourself.                                |
| 16 | (Pause.)   |
| 17 | Q Tell me when you've read it.                                 |
| 18 | A Yes, sir.  |
| 19 | Q You say there we would have disagreements, that is           |
| 20 | between you and Dr. Crouch, always resolved good naturedly.    |
| 21 | Will you, will you tell me what those disagreements were       |
| 22 | about?   |
| 23 | A Well, of course at the beginning since I was paying          |
| 24 | for my own program, there were times when I was not finished   |
| 25 | by 5 o'clock, but it was easier for him to want to use my set. |

1 |And I would say no, I'm not finished yet. I was paying for

- 2 the time, and so I felt that I needed to finish my program.
- 3 But it was always good naturedly resolved.
- 4 Q And was resolved by permitting you to continue?
- 5 A Well, I would continue, yes, sir. If I was
- 6 | finished, I would say Mr. Crouch, I'm finished. You can use
- 7 the set, and that's about the extent of it.
- 8 Q Do you have any other examples of good-natured
- 9 disagreements?
- 10 A No, I think that's about it.
- 11 Q I want to bring you back to 1980 to the formation of
- 12 | the Translator TV, Inc.
- 13 A Yes, sir.
- 14 Q Which later became NMTV. And just to focus you,
- 15 Translator Television, Inc. was organized in September of
- 16 | 1980. That's not a question. That's just to get you
- 17 oriented.
- 18 A Yes, sir.
- 19 Q And do you recall who it was that asked you to
- 20 become a director of, of Translator TV, Inc.?
- 21 A Mr. Crouch.
- 22 Q And do you, do you have a recollection of, of
- 23 approximately -- accept as a fact that TTI was organized in
- 24 | September of 1980. What's your best recollection of when Dr.
- 25 | Crouch approached you?

| 1  | A Mr. Cohen, I'd really be guessing. But I'm, I'm           |
|----|---|
| 2  | saying that it's around that, that same area. But           |
| 3  | Q Well, I don't want you to guess. And I think the          |
| 4  | judge will agree. Don't guess. If you can                   |
| 5  | A Okay. Sure.   |
| 6  | Q give me your best estimate, give it to me. But            |
| 7  | don't guess if you don't, if you don't really have a        |
| 8  | recollection. And the record will be, you know, say what it |
| 9  | says.   |
| 10 | But let me ask you this. Was this in a telephone            |
| 11 | conversation? Or was this, was this in a face-to-face       |
| 12 | meeting?  |
| 13 | A Telephone.  |
| 14 | Q He called you.  |
| 15 | A Yes, sir.   |
| 16 | Q Do you have a recollection of, of that discussion?        |
| 17 | A Basically that just that he was inviting me to            |
| 18 | serve as a director on, on the corporation that was being   |
| 19 | formed. Something along that line, Mr. Cohen.               |
| 20 | Q And this was, this was of course prior to the time        |
| 21 | the organization was formed by definition, right? This is   |
| 22 | prior to the time TTI was organized and formed.             |
| 23 | A That I couldn't tell you exactly.                         |
| 24 | Q Did he tell you what the purpose of the organization      |
| 25 | was going to be?  |

| 1  | (Pause.)  |
|----|---|
| 2  | A Mr. Cohen, to the best of my memory, he made mention        |
| 3  | of the fact that because I was a Hispanic that they wanted to |
| 4  | involve Hispanics in the formation of this corporation.       |
| 5  | Q You have a recollection of that.                            |
| 6  | A Yes, sir.   |
| 7  | Q Well, at the time of your deposition well, let me           |
| 8  | ask you this. Was this conversation that you just talked      |
| 9  | about, was that with Mr., Mr. Crouch?                         |
| 10 | A The initial conversation?                                   |
| 11 | Q Yes.  |
| 12 | A Yes, sir.   |
| 13 | Q And the initial conversation was the one when he, he        |
| 14 | told you what you just testified to.                          |
| 15 | A Yes, sir.   |
| 16 | Q Well, I want to just read into the record what your         |
| 17 | deposition testimony was. This is on page 17. And I asked     |
| 18 | you, line 14 well, starting on line 10, how did, "How did     |
| 19 | it come about that you became a director of Translator TV,    |
| 20 | Inc.?" And you answered, "I was asked if I would consider     |
| 21 | getting involved in Translator." And the question was, "Do    |
| 22 | you recall who it was that asked you?" And the answer was,    |
| 23 | "Mr. Crouch."   |
| 24 | And then I asked you, "Did he explain to you what             |
| 25 | your job would be or what your duties would be?" And your     |

1 | answer was, "My initial contact with Mr. Crouch, he didn't go

- 2 | into full detail. But I saw it as an opportunity to do more
- 3 for the Lord. So I said yes."
- 4 And my question was, "Was any explanation given to
- 5 you prior to the time you became a member of Translator TV,
- 6 Inc. as to what the purpose of that organization was going to
- 7 be?" And you answered, "Prior?" And I, my question was,
- 8 "Yes, sir." And you answered, "I believe it was Mrs. Duff
- 9 that shared some of the thoughts of what she was trying -- of
- 10 what was trying to be accomplished through TV, Inc."
- And then I asked you, "Do you recall what those
- 12 purposes were?" And your answer was, "It had to do with the
- 13 filing of applications" --
- 14 A Yes, sir.
- 15 Q -- "to get stations" --
- 16 A Um-hum.
- 17 Q -- "low-power stations." Now was any explanation
- 18 | qiven to you as to where the money would come from in order to
- 19 pay for the filing of the application for the building of the
- 20 station?
- 21 A Eventually yes, sir.
- Q And when you say eventually, give me your best
- 23 recollection as to what eventually means in terms of time.
- 24 A I really couldn't, because I'd be guessing, sir.
- 25 Q At some -- there did, there did come a time that

1 you were told. 2 Α Yes, sir. 3 And was any explanation given to you -- I'm now 4 talking about at the beginning, the conversations you had with 5 Mrs. Duff and Dr. Crouch. Was any explanation given to you as to what the programming of these stations would be? 6 7 Α I believe it was the, the main source, of course, 8 would be programs that were being produced by Trinity 9 Broadcasting. 10 Well, at the deposition at page 18 in California, I 11 asked you was any explanation -- this is line 17, "Was any 12 explanation given to you as to what the programming of these 13 stations would be?" And your answer was, "I assumed it would be religious in nature." And I asked you, "Did you have any 14 15 understanding as to what the source of the programming would 16 be?" And you answered, "No, not in the beginning." 17 Α Um-hum. Now I'm correct, aren't I, that from the outset of 18 19 your relationship with TTI you believed its purpose was to 20 spread the gospel through religious programming. 21 Yes, sir. Α 22 And that information was conveyed to you by Mrs. Q 23 Duff, wasn't it? Or by Mr. Crouch? 24 Α I believe it would have been Mrs. Duff. 25 whole idea was that I was getting involved because this was

| 1  | my, my wh | nole purpose of helping any way that I could to spread |
|----|-----------|--|
| 2  | the gospe | el of Christ.  |
| 3  | Q         | Of course. That's your, that's your mission in         |
| 4  | life.     |  |
| 5  | A         | Yes, sir.  |
| 6  | Q         | And that mission, that purpose of TTI never changed    |
| 7  | up until  | the time you resigned. Isn't that correct?             |
| 8  | A         | Correct, sir.  |
| 9  | Q         | It was always the same which was to spread the         |
| 10 | gospel.   |  |
| 11 | A         | First and foremost, yes, sir.                          |
| 12 | Q         | And that's of course why you remained a director.      |
| 13 | A         | Yes, sir.  |
| 14 | Q         | And that was the reason that you were willing to       |
| 15 | donate yo | our time to Translator Television, Inc., wasn't it     |
| 16 | A         | Yes, sir.  |
| 17 | Q         | in order to spread the gospel?                         |
| 18 | A         | Yes, sir.  |
| 19 | Q         | Because you believe very deeply.                       |
| 20 |           | JUDGE CHACHKIN: Is that you have to answer yes         |
| 21 | or no.    | İ  |
| 22 |           | MR. ESPINOZA: Yes, sir. Thank you, sir.                |
| 23 |           | MR. COHEN: Now wasn't it always clear to you that      |
| 24 | the progr | ramming was to come from TBN?                          |
|    |           |  |

MR. ESPINOZA: I believe so, sir.

| 1  | MR. 0           | COHEN: Now you became a director in September    |
|----|-----------------|--|
| 2  | of 1980. And y  | you resigned in August of 1990. You can accept   |
| 3  | that, those as  | facts, those you can accept those as facts.      |
| 4  | MR. 7           | TOPEL: Could you give the base again?            |
| 5  | MR. C           | COHEN: Sure. The corporation was organized in    |
| 6  | September of 19 | 980. And Pastor Espinoza resigned in August of   |
| 7  | 1990.           |  |
| 8  | MR. 1           | POPEL: It's the second one that I'm not sure     |
| 9  | MR. (           | COHEN: I mean that right? I made an error.       |
| 10 | I'd like, I'd l | like let's could we go off the record,           |
| 11 | Your Honor?     |  |
| 12 | JUDGE           | E CHACHKIN: Yes.                                 |
| 13 | MR. (           | COHEN: Because I, I certainly don't want to      |
| 14 | (Off            | the record.)                                     |
| 15 | JUDGE           | E CHACHKIN: All right. Let's go back on the      |
| 16 | record.         |  |
| 17 | BY ME           | R. COHEN:  |
| 18 | Q In ar         | n off-the-record discussion, you straightened me |
| 19 | out. I mean yo  | ou explained the accurate facts.                 |
| 20 | A I alv         | ways love to help a friend, sir.                 |
| 21 | Q Well,         | , I'm grateful to you. Because I need all the    |
| 22 | help I can get  | . Now you, you told us off the record that you   |
| 23 | resigned as a   | director on July 28th, 1990. Is that what you    |
| 24 | did tell us?    |  |
| 25 | A Yes,          | sir.   |

| 1  | Q Now from the time you became a director until the            |
|----|--|
| 2  | time you resigned, insofar as you have knowledge, TTI never    |
| 3  | gave any consideration, did it, to carrying any programming on |
| 4  | its low-power television station other than TBN programming?   |
| 5  | A To the best of my knowledge, I believe that's                |
| 6  | correct, sir.  |
| 7  | Q Now I'm going to ask you some, some questions later          |
| 8  | about the Odessa station.                                      |
| 9  | A Yes, sir.  |
| 10 | Q But now I just want to when I say the Odessa                 |
| 11 | station, we're talking you know what I'm talking about.        |
| 12 | A Yes, sir.  |
| 13 | Q I'm talking about the, the station that,                     |
| 14 | construction permit that NMTV bought and built the station and |
| 15 | operated it. That's when I'm talking about Odessa. Now when    |
| 16 | Odessa was, was on the air, it broadcast only TBN programming. |
| 17 | A I believe so, sir.   |
| 18 | Q Now you have longstanding ties or you had                    |
| 19 | longstanding ties with Trinity. Is that right?                 |
| 20 | A Yes, sir.  |
| 21 | Q And while you were serving as a director of TTI and          |
| 22 | then NMTV, you continued to have those strong ties with TBN,   |
| 23 | didn't you?  |
| 24 | A I believe I did, sir.  |
| 25 | (Pause.)   |

| 1  | Q          | And the look at paragraph 24 of your testimony if     |
|----|------------|---|
| 2  | you would  | . That's on page 15. And I'm referring to the         |
| 3  | second se  | ntence which states the letter, that's your letter of |
| 4  | resignati  | on, represented more than that, however. In this      |
| 5  | letter, I  | was severing my last remaining tie with the Trinity   |
| 6  | Broadcast  | ing Network. And then you go on to describe what      |
| 7  | your rela  | tionship had been with TBN.                           |
| 8  | A          | Yes, sir.   |
| 9  | Q          | So you, you felt very close to TBN.                   |
| 10 | A          | Yes, sir.   |
| 11 |            | (Pause.)  |
| 12 | Q          | Now when you were elected a director, you were also   |
| 13 | elected to | o an office in the corporation as I understand it.    |
| 14 | Is that r  | ight?   |
| 15 | A          | Yes, sir.   |
| 16 | Q          | And do you have an understanding of what office you   |
| 17 | were elec  | ted to?   |
| 18 | A          | Chief financial officer.                              |
| 19 | Q          | Now insofar as that office was concerned, the chief   |
| 20 | financial  | office officer which you were elected to, it's        |
| 21 | true, isn  | 't it, that you relied upon Mrs. Duff to carry out    |
| 22 | the respon | nsibilities of that office.                           |
| 23 | A          | Yes, sir.   |
| 24 | Q          | And you knew Mrs. Duff in 1980, didn't you?           |
| 25 | A          | Yes. Yes, sir, I believe so.                          |

| 1  | Q And would you, would you tell me how you came to             |
|----|--|
| 2  | know Mrs. Duff?  |
| 3  | A When I had my own program, because I had been there          |
| 4  | for so many years I had to have it during the lunch break of,  |
| 5  | of going through the hall to the kitchen area, and you had to  |
| 6  | pass through a number of offices. And I'd generally poke my    |
| 7  | head in and say hello to the people.                           |
| 8  | Q And that's how you came to know her.                         |
| 9  | A I believe that's I believe so, sir.                          |
| 10 | Q But certainly when Mrs. Duff spoke with you before           |
| 11 | TTI was organized, you knew who she was.                       |
| 12 | A I'm under the impression that I was, sir, from again         |
| 13 | just from going in through the hall and saying hi to the       |
| 14 | people.  |
| 15 | Q Did you know then when you accepted the office of            |
| 16 | chief financial officer, did you know that Mrs. Duff was an    |
| 17 | executive at TBN?  |
| 18 | A I believe I did, sir.  |
| 19 | Q And wasn't it your understanding that as part of her         |
| 20 | carrying out her, her TBN executive duties she would also      |
| 21 | carry out any responsibilities of, of the details of being the |
| 22 | chief financial officer?                                       |
| 23 | A Yes, sir.  |
| 24 | Q Did you, did you have knowledge, pastor, as to               |
| 25 | whether Mrs. Duff received a salary from TTI?                  |

| 1  | A         | That I really don't I, I don't recall, sir.           |
|----|-----------|---|
| 2  | Q         | You didn't receive any salary.                        |
| 3  | A         | No.   |
| 4  | Q         | You contributed your time.                            |
| 5  | A         | Yes, sir.   |
| 6  | Q         | And the other director, of course, was Dr. Crouch,    |
| 7  | Paul Crou | ch.   |
| 8  | A         | Yes, sir.   |
| 9  | Q         | Did you have any knowledge as we speak today, do      |
| 10 | you have  | any knowledge as to whether Dr. Crouch received any,  |
| 11 | any incom | e from TTI?   |
| 12 | A         | Not that I can recall, sir.                           |
| 13 | Q         | Neither one of them ever told you they were, they     |
| 14 | were rece | iving any income or compensation from TTI.            |
| 15 | A         | No.   |
| 16 | Q         | Now bringing you back to the, to the organization     |
| 17 | of, of TT | I, you came to realize that it was going to be in the |
| 18 | business  | of operating low-power television, low-power          |
| 19 | televisio | n translator stations. Isn't that right?              |
| 20 | A         | That was my understanding, sir.                       |
| 21 | Q         | And that was the, and that was the way the, the       |
| 22 | gospel wa | s going to be broadcast.                              |
| 23 | A         | Yes, sir.   |
| 24 | Q         | Over these low-power translator stations.             |
| 25 |           | JUDGE CHACHKIN: Is that right?                        |

| 1  | MR. ESPINOZA: Yes, sir.  |
|----|--|
| 2  | BY MR. COHEN:  |
| 3  | Q And what I, what I think it's important that you,            |
| 4  | you tell us is you, of course, realize that it takes money to  |
| 5  | do anything. And these stations were being applied for. And    |
| 6  | did you have an understanding as to where the money was going  |
| 7  | to come from to construct these stations to spread the Lord's  |
| 8  | gospel?  |
| 9  | A I had the understanding that the monies would come           |
| 10 | from Trinity, sir.   |
| 11 | Q And that understanding came from whom?                       |
| 12 | A To the best of my recollection, sir, it would have           |
| 13 | been with a conversation with Mrs. Duff.                       |
| 14 | Q And if you can recall, it would be useful to give,           |
| 15 | to give us your best recollection of what Mrs. Duff told you   |
| 16 | about this matter, that is concerning the funding of the       |
| 17 | A Mr. Cohen, it's been so long, I don't think I can            |
| 18 | give you the content. But I, I remember that we dealt with     |
| 19 | the issues, sir.   |
| 20 | Q Well, maybe I can be helpful. I, I recognize                 |
| 21 | you're, you're testifying about events that occurred 13, 14    |
| 22 | years ago. And I, I recognize that's not easy to do. But let   |
| 23 | me try to help you.  |
| 24 | Did, did you ever did Mrs. Duff ever talk to you               |
| 25 | about whether the money from Trinity was going to be a gift or |

| 1  | a loan for | r example?   |
|----|------------|--|
| 2  | A          | No. It's, it's my understanding that it was a loan,  |
| 3  | sir.       |  |
| 4  | Q          | And was it going to be a loan for a period of time?  |
| 5  | A          | That I couldn't answer honestly.                     |
| 6  | Q          | Was there going to be any interest charged on the    |
| 7  | loan?      |  |
| 8  | A          | That I don't remember either, sir.                   |
| 9  | Q          | Do you ever recall any, any documents that were ever |
| 10 | prepared : | reflecting the loan, the loans from Trinity to TTI?  |
| 11 | A          | Yes.   |
| 12 | Q          | Can you give me your best recollection of that?      |
| 13 | A          | No, not other than Mrs. Duff and I talked about      |
| 14 | obtaining  | a loan, that it would be paid back. But I honestly   |
| 15 | can't reme | ember that detail about if there would be any        |
| 16 | interest o | or not. I really don't remember.                     |
| 17 | Q          | Was there any limit ever given to you by Mrs. Duff   |
| 18 | as to how  | much money Trinity was prepared to loan TTI ever?    |
| 19 | And I mean | n from the day you became a director until the day   |
| 20 | you resign | ned.   |
| 21 | A          | I believe there was, Mr. Cohen.                      |
| 22 | Q          | Can you share that with us?                          |
| 23 | A          | No, I'd be, I'd be guessing, sir. I couldn't tell    |
| 24 | you truth  | fully.   |
| 25 |            | JUDGE CHACHKIN: I believe you testified that there   |

| 1  | were documents concerning these loans? Have you ever seen any |
|----|---|
| 2  | such documents?   |
| 3  | MR. ESPINOZA: I seem to recall seeing one, sir.               |
| 4  | JUDGE CHACHKIN: What? What, what was the nature of            |
| 5  | the document you recall seeing?                               |
| 6  | MR. ESPINOZA: I believe that it was in reference to           |
| 7  | the operating budget for TTI/NMTV. But I really can't recall, |
| 8  | sir.  |
| 9  | JUDGE CHACHKIN: So you  |
| 10 | MR. ESPINOZA: If I said otherwise, I'd honestly be            |
| 11 | guessing, sir.  |
| 12 | JUDGE CHACHKIN: So you're guessing whether or not             |
| 13 | you saw documents, is that what you're saying?                |
| 14 | MR. ESPINOZA: I, I recall that, that I saw one.               |
| 15 | JUDGE CHACHKIN: But you don't know what the                   |
| 16 | contents of the document were.                                |
| 17 | MR. ESPINOZA: I know that it dealt with a loan from           |
| 18 | Trinity, sir.   |
| 19 | MR. COHEN: Let me try to help you. I think I may              |
| 20 | know what you're talking about. Let me see if I can be of     |
| 21 | assistance.   |
| 22 | (Pause.)  |
| 23 | MR. COHEN: Your Honor, can we go off the record for           |
| 24 | a moment?   |
| 25 | JUDGE CHACHKIN: Yes.  |

| 1  | (Off the record.)   |
|----|---|
| 2  | JUDGE CHACHKIN: Back on the record. What                    |
| 3  | exhibit   |
| 4  | MR. COHEN: Look at, look at he said modestly.               |
| 5  | Look at Bureau Exhibit 20 if you would. That's              |
| 6  | JUDGE CHACHKIN: That's the first volume.                    |
| 7  | MR. COHEN: That's the first volume.                         |
| 8  | JUDGE CHACHKIN: Over there, pastor.                         |
| 9  | MR. COHEN: You have to be quick to keep track of            |
| 10 | all these volumes.  |
| 11 | JUDGE CHACHKIN: You have to                                 |
| 12 | MR. ESPINOZA: Twenty?                                       |
| 13 | BY MR. COHEN:   |
| 14 | Q Yes. Because I recall that during your deposition I       |
| 15 | think Mr. Shook asked you about that. And maybe that's what |
| 16 | you're talking about. Is that what you had in mind, pastor? |
| 17 | (Pause.)  |
| 18 | A It's very possible, sir.                                  |
| 19 | Q Well, that's the only document that I can think of.       |
| 20 | And I was wondering if that was what you meant.             |
| 21 | A Perhaps that's, that's it, sir. I just know that I        |
| 22 | had seen I seem to recall seeing a document concerning the  |
| 23 | loan.   |
| 24 | JUDGE CHACHKIN: All right. We'll, we'll be in               |
| 25 | recess until 9 a.m. tomorrow morning. Thank you.            |